

INTRODUCING THE MEDICARE INFORMED CHOICE ACT

Wednesday, 21 September 2005

I rise in opposition to H.R. 3132, the Children's Safety Act of 2005. Once again, this Congress is attempting to address a very serious and complicated problem with a law that substitutes the talking points of "tough on crime" politicians for the wisdom of judges, prosecutors, treatment professionals and child advocates.

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MEDICARE INFORMED CHOICE ACT

Thursday, September 22, 2005

Mr. Speaker,

I rise with my colleague Rep. Jan Schakowsky (D-IL) to introduce the Medicare Informed Choice Act. This bill provides needed extra protections for beneficiaries during the first year of implementation of the new Medicare prescription drug program.

The Centers for Medicare and Medicaid Services (CMS) has announced that participation rates by private drug plans and new Medicare Advantage plans in the new Part D drug program will be much higher than originally predicted. There will be an average of 40-50 plans per region in the country. Babette S. Edgar, finance and operations division director in CMS's Medicare Drug Benefit Group, was recently quoted saying, "There's going to be a lot of choice out there... It's going to be very, very confusing for [beneficiaries]."

We agree with Ms. Edgar. That's why we're introducing the Medicare Informed Choice Act. It's a simple bill with three important protections:

1) DELAYS LATE

ENROLLMENT PENALTIES: Beneficiaries need adequate time to make an informed choice. The bill expands the existing six-month open enrollment period to the entire year of 2006. This will give people added time to do the research and make the best decisions for themselves. Six months is not adequate time to reach and counsel 42 million beneficiaries on this complex new program.

2)
PROTECTIONS AGAINST BAD CHOICES: This provision gives every Medicare beneficiary the opportunity to make a one-time change in plan enrollment at any point in 2006. Marketing is sure to be very aggressive and people may make a bad choice. Given the importance of the decision they make, it is appropriate to give beneficiaries a one-time chance to correct an initial mistake made during the first year of implementation.

3) PROTECTIONS FOR

EMPLOYER-PROVIDED RETIREE BENEFITS: Some retirees might not

understand that purchasing Part D coverage could cost them their retiree health benefits. This provision would protect retirees from being dropped by their former employer's plan during the first year of implementation, so that beneficiaries have time to correct enrollment mistakes.

Medicare beneficiaries are going to soon begin getting bombarded by information on the new drug benefit. Some information will come directly from the government in the form of the 2006 Medicare & You Handbook, a government insert in an upcoming edition of Parade Magazine, government-prepared television advertisements, and mailings from Health and Human Services and the Social Security Administration, communications from their Members of Congress and Senators, and more. On top of all of these messages, they'll be recipients of direct marketing from untold numbers of private plans urging them to join their drug plan. They'll also likely hear from advocacy organizations like the Medicare Rx Access Network, State Health Insurance Programs around the country, and senior organizations. If they currently have retiree health benefits, they'll hear from their former employers as well.

Medicare beneficiaries are being told that there will be counselors available to assist them at 1-800-Medicare and at local State Health Insurance Programs around the country. We know from experience that these phone lines and support services will be overburdened. Beneficiaries should not pay the price for a support system that may not operate effectively. To avert that, we must inject some flexibility into the implementation period.

The Administration's own actuaries are concerned that participation rates will be far lower than they'd initially anticipated — they've announced figures as low as 9 million out of Medicare's more than 40 million beneficiaries. Again, CMS is right to be concerned. We appreciate their recognition of the pending chaos for seniors and people with disabilities.

By delaying late enrollment penalties, giving every beneficiary a chance to change plans during the first year, and protecting those with employer-provided retiree health benefits, we can make sure our constituents are not forced into making quick — and wrong — decisions during the first year of this new program. By providing this flexibility, it is our hope that people will feel more confident in their ability to make an informed choice.

We are pleased that Reps. Dingell, Rangel, Miller, Waxman, Brown, and Pallone — Congressional leaders on health care policy — have all joined us in introducing this legislation today. The bill has also been endorsed by leading senior citizen advocacy groups including: the Alliance for Retired Americans, the American Federation of Teachers, the Center for Medicare Advocacy, Consumers Union, Families USA, the Medicare Rights Center, and the National Committee to Preserve Social Security and Medicare.

We urge CMS Administrator McClellan, HHS Secretary Leavitt, President Bush and Republicans in

Congress to join with us to help mitigate the weight of the difficult choices that beneficiaries will have to make by endorsing the Medicare Informed Choice Act and working for its swift passage.

Let's work together to make sure that initial choices don't negatively impact Medicare beneficiaries who may have acted without all the information needed to make the best choice. Protecting Medicare beneficiaries should not be a partisan endeavor. We look forward to working with Members on both sides of the aisle to enact this important legislation.